

**WASHINGTON, DC** - U.S. Rep. Charlie Melancon announced today he will vote in support of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act (H.R. 2206), commonly referred to as the new Iraq/Katrina Supplemental Appropriations bill. The bill provides \$6.8 billion in hurricane recovery and relief funding for Louisiana and other Gulf Coast states. May 10, 2007  
Contact: Robin Winchell (202) 225-4031

**WASHINGTON, DC** - U.S. Rep. Charlie Melancon announced today he will vote in support of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act (H.R. 2206), commonly referred to as the new Iraq/Katrina Supplemental Appropriations bill. The bill provides \$6.8 billion in hurricane recovery and relief funding for Louisiana and other Gulf Coast states.

**"Hurricane season begins in just a few weeks, and south Louisiana desperately needs the \$1.3 billion in levee-building money contained in this bill so we can protect ourselves from future storms,"** said Rep. Melancon. **"As we continue to recover from Katrina and Rita, we also need the billions in recovery funding included in the supplemental, including relief money for our shrimpers, schools, colleges and universities, and local governments in south Louisiana."**

Rep. Melancon continued, **"I am pleased the House leadership kept in this bill every dime in hurricane recovery money that was in the last supplemental Congress passed, and will keep fighting until a bill is signed by the President that gets the Gulf Coast the help we need and deserve."**

Among the hurricane recovery needs Rep. Melancon had called for that are included in the new version of the supplemental bill are: funding for additional fisheries disaster relief, funding construction of the levee protection system on both the east and west bank in New Orleans and surrounding parishes, money for K-12 teacher recruitment and higher education assistance, the extension of a federal grant program for critically needed social services, and billions in funding for FEMA disaster recovery grants, with no local or state match required. Also included in the supplemental is language allowing Hurricane Katrina and Rita community disaster loans to be forgiven, an initiative Rep. Melancon has been working on with House Majority Whip James E. Clyburn and other Member of Congress from the Gulf Coast.

The bill also includes \$95.5 billion to fund the wars in Iraq and Afghanistan, which is over \$4 billion more than the President requested, and more than \$5 billion to ensure that returning

troops and veterans receive the health care that they have earned with their service. \$3 billion is included for Mine Resistant Ambush Protected Vehicles, which have specially designed bottoms that help deflect the force of roadside bombs, the principal killer of U.S. forces in Iraq.

Finally, the bill includes provisions increasing the minimum wage by \$2.10 over two years, to \$7.25 an hour. It also includes a \$4.8 billion package of small business tax relief, which is fully offset.

Specifically, the supplemental includes the following provisions and funding to assist Louisiana and other Gulf Coast states with hurricane recovery:

**\$110 Million for Fisheries Disaster Assistance.** This includes \$85 million for fisheries disaster assistance programs, including the first substantial direct relief for shrimpers since the 2005 storms. It also includes \$24 million for scanning and mapping as well as debris removal in Louisiana's traditional fishing grounds and \$1 million to improve forecasting for maritime navigation at high priority seaports along the Gulf.

**Waiver of Local Match for Disaster Recovery Projects.** The supplemental includes language waiving for Katrina- and Rita-affected communities provisions of the Robert T. Stafford Act that require localities to match 10 percent of the cost for disaster recovery projects before the remaining 90 percent is filled by the federal government.

Shortly after the House Katrina Working Group was formed in February, Rep. Melancon joined Majority Whip Clyburn in introducing legislation -- the Hurricane Katrina and Rita Federal Match Relief Act of 2007 -- to waive this local match requirement. Removing the state and local match for federal assistance grants would allow Louisiana to invest an estimated additional \$800 million in critical needs, including repairing our police stations, fire stations and other important infrastructure. The local match requirement has been waived 32 times since 1985 when per capita rebuilding costs have been excessive.

**\$1.3 billion for East and West Bank Levee Protection in New Orleans and Surrounding Parishes.** Rep. Melancon urged House appropriators to include this additional levee money in the supplemental bill after he learned that the Army Corps was facing a budget shortfall on

critical south Louisiana levee projects due to increased labor and material costs in the region. The President's request originally proposed taking money from other hurricane protection projects in order to make up the shortfall, but Rep. Melancon and House appropriators agreed that direct funding would better ensure that all critical hurricane protection projects have enough money.

**Community Disaster Loan Forgiveness.** Rep. Melancon asked House appropriators to add a provision to the supplemental making Katrina- and Rita-affected communities eligible for Community Disaster Loan forgiveness. The loans were provided by the federal government to hurricane-affected local governments immediately following Katrina and Rita to help them continue daily operations, such as payroll for law enforcement and emergency responders. Many local governments do not have the ability to repay this massive debt, as their tax bases were devastated by the storms. Rep. Melancon has argued that, in the past, CDs have been forgiven following many other major disasters, including Hurricane Andrew and the September 11th terrorist attacks. The Stafford Act has historically required forgiveness of such loans when independent audits determine the fiscal recovery of affected local communities is insufficient to repay the loans after a three-year grace period. Local governments in Louisiana say this loan forgiveness would relieve them of an estimated \$1 billion in debt they don't have the tax base to repay.

**\$4.61 Billion For the FEMA Disaster Relief Fund (DRF).** The DRF funds FEMA disaster recovery grants, which are used for vital recovery projects like repairing sewage and water treatment facilities; rebuilding public buildings like schools, firehouses, and police departments; and hauling away debris from the storm. In Louisiana alone, there are over 23,000 of these public assistance projects to repair and rebuild public buildings and infrastructure.

**\$30 Million For K-12 Education Recruitment Assistance And \$30 Million For Higher Education Assistance.** This funding provision will provide much-needed emergency funding to schools and institutes of higher education in Louisiana and other hurricane-affected states along the Gulf Coast. The purposes and concept are similar to a longer-term recovery bill Rep. Melancon joined House Education and Labor Committee Chairman George Miller in introducing in early March, The Revitalizing New Orleans by Attracting America's Leaders (RENEWAAL) Act of 2007. The RENEWAAL Act provides incentives to qualified teachers and principals that stay in or return to hurricane-impacted public schools and commit to work there for at least three years. The bill will also assist these educators with relocation costs to move back, housing and student loan forgiveness. In addition, higher education institutions that are still struggling with the aftermath of Hurricanes Rita and Katrina would receive help in recruiting and retaining faculty and students. The funding in the emergency supplemental will be used for the same purposes.

**Strengthens Tax Incentives For Building Affordable Rental Housing In**

**Hurricane-Affected Areas Of The Gulf Coast.** The supplemental also strengthens tax incentives for building affordable rental housing in hurricane-affected areas of the Gulf Coast. Key provisions in the Katrina Housing Tax Relief Act of 2007, which Rep. Melancon co-sponsored and spoke in support of when the House considered it last month, were included in the supplemental:

- The GO Zone tax credits were extended for an additional two years, making the deadline for units to be inhabited December 31, 2010 instead of the end of 2008. At a hearing in March, the Ways and Means Committee had learned that one of the key problems regarding housing in the Gulf Coast region was that the 2008 deadline might not be met in some hard-hit areas.
- Language included preventing Community Development Block Grants from being taken into account in determining whether a building is federally subsidized under the low-income housing credit provisions of the GO Zone Act. Federally subsidized properties receive a smaller credit than those that are not subsidized, so this provision ensures that developers could get the larger credit. This would apply to property built and inhabited by December 31, 2010.
- Expanding access to low-income financing for homeowners in hurricane-affected areas of the Gulf Coast. Mortgage Revenue Bonds are tax-exempt bonds that can be used to provide low-interest financing for home purchases. Generally, the bonds cannot be used to refinance existing mortgages. This bill would help homeowners in the Gulf Coast region by modifying the program to allow funds to be used to refinance existing mortgages on homes that were damaged by the hurricanes in the area. This provision applies to financing provided before the end of calendar year 2010.

**Housing Disaster Voucher Program Extension.** The Supplemental includes a general provision extending the Disaster Voucher Program until December 31, 2007. The Disaster Voucher Program was created in the Hurricane Katrina Supplemental in 2005 and was set to expire Sept. 30, 2007. The Supplemental extends the program, but does not address funding, because senior HUD officials have assured Congress that they will obligate any remaining funding (approximately \$80 million) by the expiration date of Sept. 30, 2007. The remaining funding will be obligated by Sept. 30, 2007 and the funds can be used until December 31, 2007.

**Extension Of FEMA Utility Subsidy Program For Essential Parish Employees.** (identical to H.R. 858, which Rep. Melancon introduced in early February). Will extend for one more year FEMA's authority to reimburse parish governments for the cost of paying utility bills for essential government employees still working and living in temporary housing (i.e., FEMA trailers). Devastated parish governments have used this program as an incentive to encourage essential employees, such as law enforcement officers, to stay in the community and continue working for the parish.

**Social Services Block Grant Extension.** The \$150 million in SSBG grants already appropriated will be available for hurricane-affected areas along the Gulf Coast for two extra years, until September 30, 2009. SSBG funding provides critically needed social services including programs for mental health, child welfare, and the treatment of addictive disorders.

**Extension Of Education Waiver.** (identical to H.R. 1262, which Rep. Melancon introduced in early March). This language will extend a federal waiver for one more year - until September 30, 2008 - that gives school districts impacted by Hurricanes Katrina and Rita more flexibility in drawing down and utilizing federal money for recovery efforts. Specifically, the waiver will allow schools to continue to use state money for the 10% local match required by FEMA in order for them to be eligible for the 90% federal reimbursement for recovery projects. The bill will also allow school districts to use federal funds appropriated by Congress in the Defense/Emergency Supplemental Appropriations bill (H.R. 2863) to pay for expenses state money would normally be used for, such as teachers' salaries and school operational needs. Last fall, Rep. Melancon was an original co-sponsor of successful legislation that extended the waiver until September 30th, 2007.

**\$50 Million to Help State and Local Law Enforcement Curb Crime.** This funding is provided for local law enforcement initiatives in the Gulf Coast region related to the aftermath of Hurricanes Katrina and Rita.

**\$25 Million For Small Business Administration (SBA) Economic Injury Disaster Loans.**

**\$11 million for HUD and FEMA Inspector General offices,** to increase scrutiny of hurricane recovery dollars.

###-